

King County Auditor's Office

Kymber Waltnunson, King County Auditor



King County

DATE: January 14, 2016

TO: Metropolitan King County Councilmembers

FROM: Kymber Waltnunson, King County Auditor

SUBJECT: Follow-up on Harborview Energy Conversion and Energy Options at Harborview Medical Center

The Facilities Management Division (FMD) has completed implementation of one of our audit recommendations resulting in increased energy savings from energy conversion projects. Additional actions are needed, however, to fully implement our recommendation to negotiate a rate structure that allows for flexibility of energy sources at Harborview. One recommendation is closed due to a change in the Harborview Hall project, which will no longer include an energy plant.

Of the three audit recommendations:

DONE	1	Recommendation has been fully implemented Auditor will no longer monitor
PROGRESS	1	Recommendation is in progress or partially implemented Auditor will continue to monitor
OPEN	0	Recommendations remain unresolved Auditor will continue to monitor
CLOSED	1	Recommendation is no longer applicable Auditor will no longer monitor

Please see below for details on the implementation status of these recommendations.

Implementation Status as of January 2016

#	Quick Status	Recommendation	Status Detail
Phase I 1	DONE	FMD should apply lessons learned to similar projects in the future.	<p>One way that FMD has applied lessons learned from past energy conversion projects is by implementing and managing an Energy Services Contract process independently from the program run by the state of Washington. This has been utilized on at least one project at the Harborview Medical Center campus. In addition, FMD has utilized a performance guarantee for energy savings on the new Children and Family Justice Center that requires the contractor to meet energy savings performance as part of a design-build contract.</p> <p>Implementation of this recommendation has resulted in energy conversion projects that have avoided some of the implementation problems experienced with prior projects.</p>
Phase II 1	CLOSED	The County Executive should ensure that the Harborview energy plant has sufficient infrastructure to support flexibility of energy sources for Harborview.	The Harborview Medical Center energy plant will no longer be included in the Harborview Hall adaptive re-use project.
Phase II 2	PROGRESS	The County Executive should attempt to negotiate a rate structure with Seattle Steam that allows for flexibility of energy sources at Harborview in an economic manner.	<p>As of January 2016, the negotiation of rates is in progress. Seattle Steam has agreed to continue to provide steam to the Harborview Medical Center under the old rate structure until a new rate and terms are negotiated.</p> <p>To fully implement this recommendation, the County Executive should ensure that the negotiated rate structure allows for the potential of alternate energy sources at Harborview in the future.</p>

Ben Thompson, Deputy County Auditor, and Peter Heineccius, Senior Management Auditor, conducted this review. Kymber Waltmunson, King County Auditor, was the project supervisor. Please contact Peter at 206-477-0077 if you have any questions about the issues discussed in this letter.

cc: Dow Constantine, King County Executive
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